

## *Steve Westly* *California State Controller*



Contact:  
Lisa Casalegno or Stacey Ragland  
(916) 445-2636

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### **CALIFORNIA TAKES FIRST STEP TOWARD SIMPLIFYING TAX SYSTEM**

#### **CONTROLLER WESTLY'S MOTION APPROVED BY BOARD OF EQUALIZATION**

**Sacramento, March 26, 2003** – State Controller and Board of Equalization (BOE) member Steve Westly has won approval for California to join in the discussions of the Streamlined Sales Tax Project (SSTP). The motion was made by the Controller and approved by a vote of the BOE today.

“This is an important first step toward simplifying our tax system,” Controller Westly said. “With this vote, California has the ability to participate in the national debate on simplifying tax collection and protecting the integrity and fairness of our tax system.”

The vote means California's BOE will be able to send a representative to participate in the debate at SSTP meetings. The group of 39 states and the District of Columbia is working to establish common guidelines for tax collection. When the group develops enough support from states, it will ask Congress to implement changes in tax collection.

Consumers are already supposed to pay tax when purchasing items from catalogs and the Internet. The Controller noted there are two reasons to collect the sales tax.

“First the amount of uncollected revenue, currently \$1 billion per year, will become more significant as the Internet industry grows,” said Westly. “In addition, there is a lot of talk right now about increasing taxes. It just makes sense to collect the taxes that are already owed before adding new ones.”

Westly also said he supports California becoming a voting member of the SSTP, which is the next step in the process of achieving a simplified tax system.

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